creative SASKATCHEWAN

Annual Report
2013/2014

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Letter of Transmittal

The Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

Your Honour:

Creative Saskatchewan was established July 2, 2013 through *The Creative Saskatchewan Act, S.S.2013 Ch 43.12,* and began the work of assisting in the economic development of the following five industry sectors:

- music and sound recording;
- screen-based media;
- visual arts and craft;
- publishing; and,
- live performing arts.

Creative Saskatchewan is pleased to submit our first ever annual report, pertaining to the period, July 2, 2013 to March 31, 2014. Creative Saskatchewan's financial statements are included and have been audited by the Provincial Auditor.

Respectfully submitted on behalf of Creative Saskatchewan.

The Honourable Mark Docherty
Minister of Parks, Culture and Sport

Mike MacNaughton
Chair, Creative Saskatchewan

Message from our Chair

Creative Saskatchewan was established as a crown agency of the Government of Saskatchewan in July of 2013. The agency was created in recognition of the integral role creative industries play in a vibrant Saskatchewan. Our vision - "Creative industries are better positioned to contribute to Saskatchewan's plan for economic growth by being commercially stronger, market and export-ready, and increasingly appreciated nationally and internationally" guides the efforts of our board and staff.

Since it's establishment, the agency's initial board members were appointed in July and August. We have launched two investment intakes in November 2013 and February 2014 in addition to numerous continuous intake grants. These investments have already made a major impact on Saskatchewan's creative industries.

The agency's mandate is to positively affect the gross domestic product of the Province of Saskatchewan. As Creative Saskatchewan is a marketing agency, that clear direction guides the programs offered and the national and international marketing activities produced.

I would like to express my gratitude to the other members of the board of directors and to the staff of Creative Saskatchewan for all of the work and long hours that were essential to ensure this new agency could be established in such a short time period.

Working closely with representatives from the creative industries, Creative Saskatchewan is just beginning our journey and we anticipate many exciting years to come.

Mike MacNaughton

Chair

Our Board

Mike MacNaughton	Chair
Susan Whitney	Vice Chair
Patrick Close	Governance & Metrics Committees
Valerie Creighton	Metrics & Investment Committees
Cory Furman	Governance & Human Resources Committees
Jocelyne Wasacase-Merasty	Governance & Investment Committees
Jocelyne Kost	Human Resources & Metrics Committees
Rick Krieger	Finance & Governance Committees
Rick Peddle	Finance & Metrics Committees
Caroline Walker	Investment & Finance Committees
Bruce Willis	Finance & Human Resources Committees

Message from our CEO

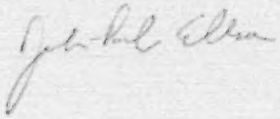
Saskatchewan has long been acknowledged for our thriving cultural and artistic community. Saskatchewan artists have distinguished themselves on a global scale placing Saskatchewan on the cultural map in terms of music, film, digital media, visual arts, fine craft, publishing and the performing arts.

Creative Saskatchewan's mandate is to stimulate the commercialization of creative products and bring Saskatchewan's creative talent to market. Partnering with Saskatchewan's creative industry associations, the first months of Creative Saskatchewan's operations have been quite busy, and we are excited to share our initial successes with you.

This annual report is a summary of Creative Saskatchewan's activities and its impact on the perception of Saskatchewan's cultural talent around the world. Although we began as a small shop in October 2013, we have made a positive impact on Saskatchewan's creative industries. Numerous grants have been awarded to applicants, and their success stories are rolling in.

The opportunity to work across the creative sectors and see the broad cultural and economic impact of working together is a unique and exciting experience.

While Creative Saskatchewan is a new agency, we anticipate our impact and legacy to be great. We look forward to many more years of positive working relationships with our industry partners and continuously increasing Saskatchewan's reputation world-wide as a successful creative community.



John-Paul Ellson

Chief Executive Officer

Our Staff

JP Ellson	Chief Executive Officer
Karen Takach	Executive Assistant
Erin Dean	Program Officer
Tobi Lampard	Program Coordinator
Lisa Lanigan	Program Coordinator
Florence Akpan	Finance & Accountability Manager
Emily Armer	Communications & Social Media Manager
Sherry Luther	Creative Industry Partnership Manager
Allie Tosczak	Administrative Assistant

A Year in Review

Since appointed in 2013, Creative Saskatchewan's Board has been busy laying the groundwork for a successful and dynamic agency.

The Board:

- Struck internal committees:
  Human Resources;
  Metrics;
  Finance;
  Governance; and,
  Investment
- Successfully completed the search for a CEO
- Hired a full complement of staff
- Developed a Strategic Plan and Priorities, in alignment with the *Provincial Plan for Economic Growth*
- Developed Mission, Vision and Value statements
- Developed a Policy Guide for Creative Saskatchewan employees
- Oversaw the first international showcases for Saskatchewan creative producers
- Oversaw the commitment of over $3 million of funding in less than eight months

Vision

Creative industries are better positioned to contribute to Saskatchewan's plan for economic growth by being commercially stronger, market and export ready and increasingly appreciated locally, nationally and internationally.

Mission

To facilitate the commercial development of creative industry producers, entrepreneurs, businesses and associations in realizing their economic potential within and outside the province through business product development and market access.

Values

The Board of Creative Saskatchewan values quality and excellence, creativity, innovation and entrepreneurship and the development of product that is both accessible and relevant. In carrying out its responsibilities, the Board intends to be respectful, inclusive, transparent and to act with integrity in the best interest of the creative community.

Market Travel Grant

The program provides financial support to individuals and businesses traveling to markets, award shows, showcases, and other one-off events.

Over 30 applicants were funded through the Market Travel Grant in 2013/2014.

Saskatchewan hip hop artist **Factor** used the funding he received to travel to Cannes, France for the Midem Music Festival and to Paris, France for the Paris Showcase.

Factor took advantage of his travel to Europe and toured adjoining countries while he was abroad. While on tour he promoted his new album *Woke up Alone*.

"A highlight of the trip was performing at Morrisons in Cannes, France with Def3 and Evil Ebenezer during the Midem festival."
~ Factor Chandelier

"Popular at the Galerie Hughes Charbonneau booth were minimalist works on paper"
~ Canadianart.ca

Visual artist Tammi Campbell used her grant to travel to multiple events across the country.

One destination in her tour was Calgary, Alberta. While in Calgary, Tammi was interviewed by senior critic for *Canadian Art Magazine*, Nancy Tousley. Following her interview, Tammi's art was featured on the cover of *Canadian Art's* Spring 2014 magazine; seen opposite.

On another stop on her tour, Tammi participated in the Toronto International Art Fair. In Toronto, she was able to network with other artists and buyers to increase the reach of her artwork.

"Charbonneau proffered a roster of artists that formed in beautiful logic, with emerging abstract materialist Tammi Campbell matched in strength through restraint by romantic photographer Benoit Aquin"

~ Boulinartinfo.ca

Creative Industry Partner: SaskBooks

SaskBooks is the industry association for publishers in Saskatchewan. Its mandate is to support and foster the book publishing industry and to promote Saskatchewan-published books.

SaskBooks participated in the joint creative industries venture to Los Angeles, California in December, 2013. The excursion was an opportunity to collaborate and leverage multiple industry connections for the benefit of all creative industries in the province.

Although not a typical 'book town', the trip to L.A. was beneficial for SaskBooks. Connections were made with representatives from outside the publishing industry. The audience showed great interest in Saskatchewan books, providing new marketing opportunities for Saskatchewan Publishers.

The showcased publishers were exposed to a new audience who were enthralled with the exotic feel of our prairie province. Visitors to the SaskBooks booth returned multiple times asking for more authentic Saskatchewan stories.

The connections made on this trip will be extremely valuable to SaskBooks and to their clients, and will open the doors for more of these types of events in the future. SaskBooks has many ongoing projects which are possible in part due to funding received from Creative Saskatchewan.

SaskBooks will complete a joint marketing project with SaskArt by the end of August 2014, which will promote Saskatchewan art and Saskatchewan books, and which will be distributed with magazines across the prairies.

"As a result of Creative Saskatchewan's first production grant, Your Nickel's Worth Publishing produced five Saskatchewan books which have sold over 800 copies, generating more than $15,000 in revenue to date. One of our new titles, Wes Side Story by Saskatoon writer Wes Funk was on the weekly bestseller list at McNally Robinson"
~ Your Nickel's Worth Publishing

Display of Saskatchewan published books in Jasper, Alberta

Creative Industry Partner: SaskMusic

SaskMusic stimulates the growth and development of Saskatchewan's music industry through leadership, promotion, training, advocacy and partnership.

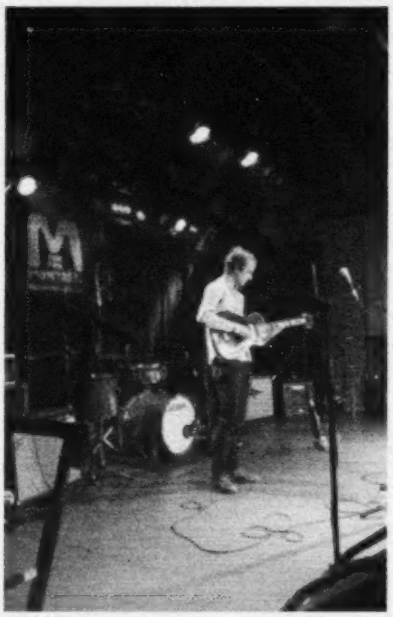
In the fall of 2013, Creative Saskatchewan funded SaskMusic as well as some individual musicians to attend *M for Montreal*.

The performers were curated by the *M for Montreal* director of programming; artists were selected from a list of Saskatchewan applications based on the best fit for this specific event and this market.

The event draws a significant list of international and national delegates in a smaller festival and conference setting, which allows Saskatchewan artists to better network and establish business relationships.

"The Showcase has given us access to buyers from Canada/US/Europe to build revenue opportunities at home and abroad. We are continuing to have conversations with buyers around the world because of Andy's showcase performances at M. Immediate success from the showcase were invitations to Great Escape, SXSW, show offers in NYC, France, Germany, and the UK."

- John Kelp, Kelp Records, Andy Shauf



Andy Shauf performs at M

Through *M for Montreal*'s integrated presence program, artists were able to maximize their visibility based on the best available positioning for their show.

In 2013, attendees were able to network with international buyers and create connections with viable international sales opportunities.

We Were Lovers perform at M

Creative Industry Partner: SaskArt

SaskArt is a group of Saskatchewan commercial art galleries who sell the art of local, national and international artists.

In March 2014, SaskArt, with funding from Creative Saskatchewan, curated an art show and sale in Scottsdale, Arizona with connections to Saskatchewan.

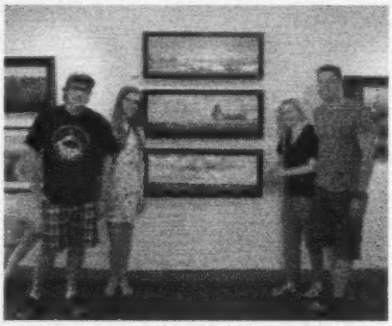
In all, 98 pieces of art, craft and books from prominent Saskatchewan artists and publishers were moved to Arizona for the *Saskatchewan Art Show and Gallery*.

The experience was valuable to the future direction of SaskArt and the promotion of Saskatchewan and its art dealers and artists.

The project provided organizers with first hand information about the marketplace, customers' purchasing preferences, as well as the ins and outs of successfully operating a pop-up retail gallery.

Based on the feedback from visitors and the SaskArt members who were in attendance, the *Saskatchewan Art Show and Gallery* was very successful.

"We chose to go to Scottsdale because it is renowned for how its citizens support the arts."
~ Marlo Gebhardt, Owner of Mysteria Gallery and Curator of the Saskatchewan Art Show and Gallery for SaskArt



Dionne Cohen and family of artist Carl Schlademan at the Scottsdale Gallery

We enjoyed the show; it was nice to see Saskatchewan art in Phoenix. Saskatchewan holds a place in my heart"
~ Dionne Cohen

June Jacobs (right), the owner of the HandWave Gallery at Meacham, with a visitor to the Saskatchewan Art Show and Gallery

The Gallery for the Saskatchewan Art Show and Gallery

Creative Industry Partner: Saskatchewan Media Production Industry Association

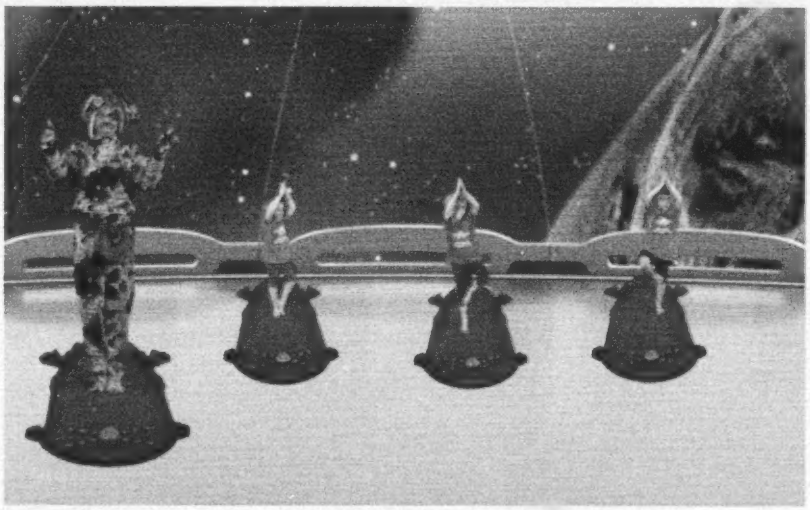
SMPIA is a provincial, member-based organization that represents personnel related to the making and exhibiting of media production projects.

Funding from Creative Saskatchewan's Screen Based Media Grant supported the production of *Space Stretch*.

Space Stretch is a live action/ animation mini series of 10 five minute episodes. Produced by Cheshire Smile Television Productions 1 Inc, the series is targeted at a pre-school audience.

The premise of the show is that a group of pre-school children become astronauts in an intergalactic stretching adventure. The new astronauts are joined on their adventures by Captain Crash Tanga, his pilot side-kick Upside Downward Dog (aka Dee Dee), and the all-knowing LOU LOU the Space Computer.

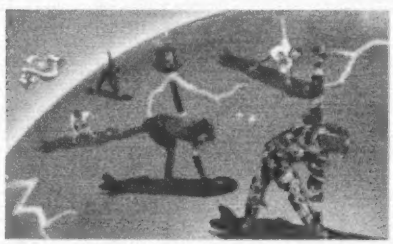
Together they travel through space aboard the Century Condor space ship. The space travelers do yoga stretches to generate concentration energy that saves planets in distress.



Young astronauts and Upside Downward Dog doing yoga

Sash Tangs plays music over Mercury

Space Stretch will be broadcast on CityTV Saskatchewan and is produced by Saskatoon's Tim Tyler. Tim's company Cheshire Smile Animation has created content for broadcasters around the globe including Teletoon, Canal +, and M-Net.



Captain Crash Tanga, Dee Dee, and the astronauts do yoga in space

Creative Industry Partner: Saskatchewan Craft Council

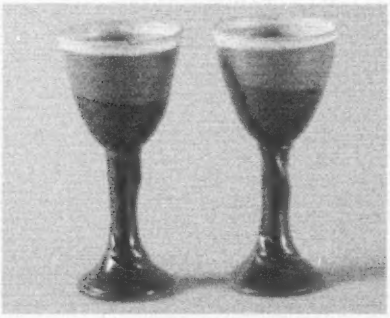
Saskatchewan Craft Council is a non-profit organization representing professional craft artists, craft organizations and patrons of fine craft in Saskatchewan.

Saskatchewan potters have long had a reputation for creating beautiful and functional works of art. Ken Wilkinson and Zach Dietrich and Wendy Parsons (of Parsons-Dietrich) are long-standing members of Saskatchewan's pottery community.

Creative Saskatchewan provided funding to the Saskatchewan Craft Council (SCC) to help their members expand their wholesale promotional opportunities.

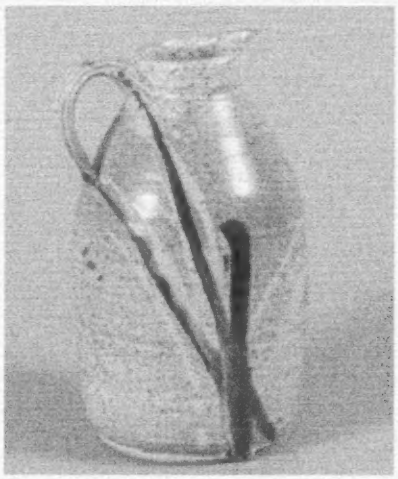
As part of this funding, SCC funded travel to the Alberta Gift Show in February, 2014 with great results for the artists.

On this trip, Wilkinson and Parsons-Dietrich were able to network with buyers and create demand for their products on a new level.



Goblets by Ken Wilkinson

The production grants these artists received from Creative Saskatchewan will allow them to increase production to meet the demand of increased national retailers.



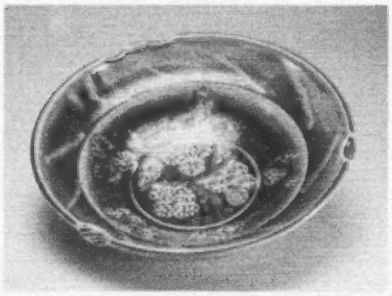
Cream Grass Jug by Ken Wilkinson

"It used to be that deciding to become a potter was a lifestyle decision rather than an economic one, Creative Saskatchewan has addressed this in many ways. New doors are opened to new markets and financial assistance allows me to create and sell more work to take advantage of new markets. These are resources that are difficult for an independent artist to find and are greatly appreciated"
~ Ken Wilkinson

"We were able to add four new retailers, in new markets, to our distribution list; we now will be selling in stores in: Nunavut, Drumheller, Jasper and Bracebridge"
~ Zach Dietrich

Monster Tea Pot by Parsons-Dietrich

"The Production Grant will allow us to hire an apprentice to meet our new demand. We love our work, but are really pleased to be able to pass our knowledge on to the next generation"
~ Wendy Parsons



Bowl by Parsons-Dietrich

Grants & Funding

Following is a listing of Grants committed in fiscal 2013-2014; commitment values are rounded up.

Screen Based Media Production Grant

Provides financial support to projects intended for television, cinema, video or digital delivery consisting of a combination of image and at least one of text and sound.

Wolf Cop	Wolf Cop Productions Inc.	$250,000
Hurry Hard	Hurry Hard Productions Inc.	$99,149
College TV	OT College Delivers TV	$20,000
Space Stretch	Cheshire Smile Television Productions 1	$39,000
Guardians II	Guardians Productions Inc.	$250,000
Guardians DM	Crimson Clay Media	$58,215
Nightclub Confidential II	101210707 Saskatchewan Ltd.	$137,458
Corner Gas The Movie	10125330 Saskatchewan Ltd.	$250,000

Screen Based Media Content Development

Provides financial support to Saskatchewan film, television, and interactive digital media entrepreneurs for the development of two or more eligible film, television or digital media projects.

Ashlyn and the Dreamcatchers	Ddee Studios	$9,450
Archie: Robodog	Trilight Productions	$8,978
The Stadium	Java Post	$14,625
Glitch	Karma Film	$10,500
Sacrament	Karma Film	$15,000
The Science of Yoga	Cheshire Smile Animation	$9,450
Thunder Over Kandahar	Minds Eye Entertainment	$15,000
My Rotten Life	Minds Eye Entertainment	$15,000
Escort	Karma Film	$9,450
40 Kids	Keewatin Productions Ltd.	$5,000
Easy Over	Easy Over Productions Inc.	$15,000
The Other Side II	The Other Side Productions 2	$17,557
Chase The Sun	Autumn Productions	$25,000
Prairie Cribs	Angel Entertainment Corp	$15,065
The Black Hunchies	Autumn Productions	$17,243
Deteckids	Autumn Productions	$18,103
Louis Says II - Digital App	Louis Says Productions Inc.	$5,800
Louis Says II	Louis Says Productions Inc.	$14,700
Realty Ref	Angel Entertainment Corp	$15,000
Dead of Winter	Karma Film	$10,862

Market Travel Grant

Provides financial support to individuals and businesses for national and international travel to showcase their creative talents.

Alexis Norman	Music	$473
Keiffer McLean	Music	$939
Tammi Campbell	Visual Arts	$1,016
Megan Lane	Music	$1,215
Elsa Gebremichael	Music	$2,350
Andy Shauf	Music	$2,154
Krista Martynes	Music	$1,829
Tim Tyler	Screen-Based Media	$2,527
Lioz Bouganin	Screen-Based Media	$2,575
Kevin DeWalt	Screen-Based Media	$2,178
Graham Murawsky	Music	$5,000
Zachary Lucky	Music	$749
Gunner and Smith	Music	$2,054
Wally Start	Screen-Based Media	$2,506
Katrina German	Digital	$732
Michelle Pajaar	Music	$4,691
Melanie Hankewich	Music	$3,651
John Karmazyn	Digital	$2,002.8
Katrina German	Digital	$1,143
Blake Berglund	Music	$1,207
Joel Henderson	Music	$874
Bevin Bradley and Roberta Ross	Visual Arts	$5,000
Stephen Huszar (Hulo Films)	Screen-Based Media	$2,115
Slow Down Molasses	Music	$4,506
Danny Fernandez	Music	$821
George Leach	Music	$2,956
ISEE Motion Picture Company	Screen-Based Media	$3,878
Kakwa	Publishing	$733
Tant per Tant Theatre in Translation Inc.	Theatre	$5,000

Market and Export Development Grant

Provides financial support to individuals, businesses and industry associations for market access and market development opportunities.

University of Regina Press	Publishing	$37,805
Jessica Moskaluke	Music	$31,420
Karma Film	Screen-Based Media	$29,750
Moxie Films	Screen-Based Media	$25,000
Indigo Joseph	Music	$23,666
WYATT	Music	$22,840
JJ Voss	Music	$17,000
STEP		$15,000
Shiverware Interactive Software	Interactive	$14,755
Amy Nelson Music	Music	$14,296
Talking Dog Studios	Interactive	$8,250
Factor	Music	$8,223
Ty The T-REX	Screen-Based Media	$7,500
The Pistolwhips	Music	$7,010
Rosie and the Riveters	Music	$6,370
Parkland Publishing	Publishing	$4,736
Artisans Fine Craft Market	Craft	$10,750

Bart McKay	Media	$3,381
Harmony Documentary	Screen-Based Media	$21,150
Hulo Films	Screen-Based Media	$18,287
Jack Semple	Music	$10,089
John Antoniuk	Music	$3,554
Nebulus Entertainment	Media	$11,500
Peggy Worrel	Publishing	$2,485
Powder Blue	Music	$14,273
Rhubarb Productions Inc.	Theatre	$20,000
Samara Yung	Music	$11,871
Saskatchewan Craft Council	Craft	$107,890
Saskatchewan Craft Council	Craft	$1,914
SaskBooks	Publishing	$35,000
Slow Down Molasses	Music	$26,214
Talking Dog Studios	Interactive	$12,075
The Little Brothers	Music	$3,927
The Stall Gallery	Visual Arts	$20,782
Theatre Howl	Theatre	$6,500
Ultimate Power Duo	Music	$6,526
Val Halla	Music	21,920
Cheshire Smile Animation	Screen-Based Media	$22,569
Def3 & Factor	Music	$30,890
Fahrenheit Films	Screen-Based Media	$11,920
Ken Wilkinson	Craft	$13,730
Library Voices	Music	$43,700
Reignwolf	Music	$43,437
SaskBooks & SaskArt	Publishing & Visual Arts	$112,968
SaskMusic	Music	$118,788
SLATE Fine Art Gallery	Visual Arts	$15,861
Tatanka Boutique	Craft	$13,915
The Shoeless Joes	Music	$13,297
Codie provost		$30,826

Creative Industries Production Grant

Provides financial support to individuals and businesses for the production and refinement of creative products.

Coteau Books	$5,342
Hagios Press	$15,000
Parkland Publishing	$3,750
Thistledown Press	$12,000
University of Regina Press	$25,000
Your Nickel's Worth Publishing	$12,000
Arthur Slade	$10,000
Coteau Books	$70,000
Friends of the RPL	$10,000
Parsons Dietrich Pottery	$19,020
Scott Pilling	$9,085
John Reichert	$9,165
Thistledown Press	$13,208
Wild Sage Press	$2,933
Ken Wilkinson	$8,850
Your Nickel's Worth Publishing	$16,000

Business Capacity & Research Grant

Provides financial support to augment the research/market intelligence needs of the creative industries.

Saskatchewan Craft Council	$13,700
SaskMusic	$16,680
Talking Dog Studios	$37,500
Susan Busse	$951
SMPIA	$111,000
WYATT Music	$5,352

Culture on the Go

Administered through an agreement with the Ministry of Parks, Culture and Sport. Provides financial support to projects that are non-commercial in nature and build networks for Saskatchewan artists and artistic products in and/or out of the province.

SaskMusic (International SK Days)	Music	$57,175
SaskMusic	Music	$123,628
SaskArt	Visual Art	$77,000
Alexis Normand	Music	$23,468
Coteau Books	Publishing	$30,000
One Story Inc.	Digital Media	$20,717
Rah Rah Band Inc.	Music	$38,045
Andy Shauf	Music	$45,000
Jeffery Straker	Music	$6,334
The Deep Dark Woods	Music	$45,950
Def3 & Factor	Music	$9,814
Gunner & Smith	Music	$17,457
Untimely Demise	Music	$10,463
All Mighty Voice	Music	$15,904
Autopilot		$7,981
Close Talker		$37,145
Reignwolf		$43,437

With Our Gratitude

Creative Saskatchewan would like to extend thanks to everyone who gave of their time and expertise by participating on one of our jury panels.

Derek Bachman	Sandy Baumgartner
Neil Bergen	Rorie Bruce
Taron Cochran	Bob Crowe
Brian Hades	Michelle Hunter
Larry Hiles	Brian Lam
Sherry Luther	Jerome Martin
Levi Nicholate	Bob Perry
Gord Shillingford	Bill Stampe
Andrew Steeves	Lawrence Swann
Kevin Tobin	Chris Triffo

Management's Responsibility for the Financial Statements

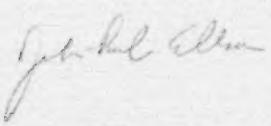
The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for the integrity and fairness of the financial statements. In order to fulfill this responsibility, management implements and maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. These responsibilities are exercised through the appointment of an Audit Committee of Directors to review the financial statements with management.

The Provincial Auditors, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The auditors have full and free access to the audit committee to discuss their audit and findings.

On behalf of management:



John-Paul Ellson
Chief Executive Officer, Creative Saskatchewan

Florence Akpan, CMA
Finance and Accountability Manager

Independent Auditor's Report

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Creative Saskatchewan, which comprise the statement of financial position as at March 31, 2014 and the statement of operations and accumulated surplus, statement of net financial assets and the statement of cash flows for the period from July 2, 2013 to March 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

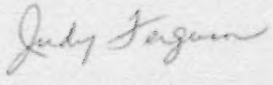
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Creative Saskatchewan as at March 31, 2014 and the results of its operations, changes in net financial assets and cash flows for the period from July 2, 2013 to March 31, 2014 in accordance with Canadian public sector accounting standards.



Regina, Saskatchewan
July 29, 2014

Judy Ferguson, FCA
Acting Provincial Auditor

Statement of Financial Position
As at March 31, 2014

Statement 1

Financial Assets	
Cash	$ 4,078,642
Accounts Receivable	283,499
Total Current Assets	**4,362,141**
Liabilities	
Grants Payable (Note 3)	1,995,499
SaskFilm Programs Payable (Note 4)	107,050
Creative Industries Growth and Sustainability (CIGS) Payable (Note 5)	499,167
Accounts Payable (Note 6)	10,005
Total Liabilities	**2,611,721**
Net Financial Assets (Statement 3)	**1,750,420**
Non - Financial Assets	
Tangible Capital Assets - Net of Amortization (Note 7)	21,072
Accumulated Surplus (Statement 2)	**$ 1,771,492**

(See accompanying notes to the financial statements)

Statement of Operations and Accumulated Surplus
For the Period from July 2, 2013 to March 31, 2014

Statement 2

Revenues		
Province of Saskatchewan Grants:		
Grant Programs	$	5,000,000
Creative Industries Operations Programs		1,500,000
Culture on the Go		600,000
SaskFilm Grant Programs		258,163
Film Employment Tax Credit (FETC)		40,000
Total Province of Saskatchewan Grants		7,398,163
Other Income		1,545
Total Revenues		**7,399,708**
Expenses		
Grants		4,947,142
Grant Administration		17,002
Juror Administration (Note 5)		70,091
SaskFilm Programs		151,085
Operations:		
Salaries and Benefits		106,345
Board Expenses		42,046
Professional Services		232,169
Office Administration		62,336
Total Expenses		**5,628,216**
Accumulated Surplus, End of Period (Statement 1)	**$**	**1,771,492**

(See accompanying notes to the financial statements)

Statement of Net Financial Assets — Statement 3
For the Period from July 2, 2013 to March 31, 2014

Surplus for the Period (Statement 2)	$	1,771,492
Acquisition of Tangible Capital Assets (Note 7)		(22,053)
Amortization (Note 7)		981
Changes in Net Financial Assets During the Year		(21,072)
Net Financial Assets - End of Period (Statement 1)	**$**	**1,750,420**

(See accompanying notes to the financial statements)

Statement of Cash Flows — Statement 4
For the Period from July 2, 2013 to March 31, 2014

Cash Flows from Operating Activities		
Surplus for the Period (Statement 2)	$	1,771,492
Adjustment to reconcile Surplus to Net Cash:		
Amortization of Tangible Captial Assets		981
Changes in Current Assets and Liabilities:		
Accounts Receivable		(283,499)
Grants Payable		1,995,499
SaskFilm Programs Payable		107,050
Creative Industries Growth and Sustainability (CIGS) Payable		499,167
Accounts Payable		10,005
Cash Flows from Operating Activities		**2,329,203**
Cash flows used in Capital Activities		
Purchase of Tangible Capital Assets		(22,053)
Cash used in Capital Activities		**(22,053)**
Cash at End of Period	**$**	**4,078,642**

(See accompanying notes to the financial statements)

Notes To The Financial Statements
March 31, 2014

1. Status of Creative Saskatchewan

Creative Saskatchewan was established on July 2nd, 2013 through the proclamation of *The Creative Saskatchewan Act S.S 2013, Ch 43.12*. Creative Saskatchewan is a Crown Agency of the Province of Saskatchewan. The mandate of Creative Saskatchewan is to facilitate the commercial development of producers, entrepreneurs, businesses and associations in the creative industry in realizing their economic potential within and outside the province through business product development and market access. Creative Saskatchewan did not have a budget for its first year of operations.

Effective March 27, 2014, pursuant to Order in Council 125/2014, Creative Saskatchewan assumed SaskFilm's equity investments and development agreement loans net of provisions for doubtful accounts (Note 8) and agreed to fulfill SaskFilm's outstanding commitment to the industry. All balances were transferred to Creative Saskatchewan at book value. Creative Saskatchewan also assumed SaskFilm's grant program on March 27, 2014.

2. Significant Accounting Policies

a. Basis of accounting

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards as established by the Canadian Public Sector Accounting Board and published by the Chartered Professional Accountants of Canada. These statements do not include a Statement of Remeasurement Gains and Losses because Creative Saskatchewan did not have any investments or foreign exchange gains and losses during the period.

b. Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. The net-book value of these assets is detailed in Note 7. Tangible capital assets are amortized over their estimated useful lives. Amortization expense is calculated using the straight-line method at the following annual rates:

- Furniture and equipment 20 %
- Computer equipment and systems 30 %

When tangible capital assets no longer contribute to Creative Saskatchewan's ability to provide services, they are written down to residual value.

c. Revenue

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues.

Government grants and contributions are recognized as revenues when the grant or contribution is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.

d. Expenses

The cost of all goods consumed and services received during the year is expensed. Grants and transfers are recorded as expenses when the transfer is authorized, eligibility criteria have been met by the recipient and a reasonable estimate of the amount can be made.

e. Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, at the date of the financial statements, and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include accounts receivable, accounts payable and amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

f. Development Loans

Development loans are advanced to qualifying Saskatchewan production companies and become repayable upon commencement of principal photography. Loans for those projects that do not reach principle photography may be forgiven at the discretion of the Board of Directors. Due to the uncertainty regarding collection, these loans are recorded as grant expense in the year advanced; any recoveries are recorded as revenue when received.

g. Equity Investments

Equity investments are made in film production of Saskatchewan companies to a maximum of 25 percent of production cost. However, due to the risk of recovery associated with these investments and the uncertainty of a return, equity investments are recorded as grant expense in the year they are advanced; any recoveries are recorded as revenues when received.

3. Grants Payable

Creative Saskatchewan provides funding to eligible applicants through the programs listed below. During the period, Creative Saskatchewan approved grants of $3,589,142. As at March 31, 2014 $1,593,643 was paid while $1,995,499 is outstanding.

Grants Approved and Payable			
Grant Programs	**Commitment Amount**	**Amount Paid (during the period)**	**Outstanding Amount**
Screen Based Media Production	$ 1,103,821	$ 636,486	$ 467,335
Screen Based Media Development	266,783	49,189	217,594
Market Travel Grant	66,875	46,813	20,062
Culture on the Go	609,518	421,778	187,740
Market Export and Development	1,115,609	382,557	733,052
Creative Industry Production Grant	241,353	56,820	184,533
Business Capacity and Research Grant	185,183	-	185,183
Total	**$ 3,589,142**	**$ 1,593,643**	**$ 1,995,499**

4. SaskFilm Programs Payable and Commitment

Creative Saskatchewan received a transfer of $258,163 from the Ministry of Parks, Culture and Sport for the purpose of administering SaskFilm's program commitments that includes Equity Investments, Development Agreements and Grants. As at March 31, 2014, $44,035 was paid and $214,128 is outstanding. $107,050 is SaskFilm Programs payable for grants.

Creative Saskatchewan has agreed to fulfill the commitment made by SaskFilm for Development Loans and Equity Investments of $107,078.

SaskFilm Programs			
Programs	**Amount Transferred**	**Amount Fulfilled (During the Period)**	**Outstanding Amount**
Development	$ 73,107	$ 21,429	$ 51,678
Non-dramatic Equity	45,400	-	45,400
Feature Equity	20,000	10,000	10,000
Total Development Loan and Equity Investments	138,507	31,429	107,078
Digital Initiative	41,090	-	41,090
Producers Market Travel Assistance	78,566	12,606	65,960
Total Grants	119,656	12,606	107,050
Total	**$ 258,163**	**$ 44,035**	**$ 214,128**

5. Related Party Transactions

The Financial Statements include transactions with various Saskatchewan agencies, boards, ministries and crown corporations. Below are revenues and expenses included in the financial statements. Also see note 12.

Revenues		
Ministry of Parks, Culture and Sport	$	7,398,163
Expenses		
SaskTel	$	5,402
Ministry of Parks, Culture and Sport		249
Saskatchewan Trade and Export Partnership		12,000
Ministry of Central Services		236
Sask Arts Board - Juror Administration		70,091
Total Expenses	**$**	**87,978**

Creative Saskatchewan has a standing partnership agreement with the following Creative Industry Associations to provide funding in order to facilitate the commercial development of the creative industries to ensure they are ready for growth. Creative Saskatchewan approved funding of $1,358,000 to the associations from September 1, 2013 to August 31, 2014. Those transactions and the amounts outstanding at the end of the year are as follows:

Allocations Payable to Creative Industries Associations			
Organization	**Annual Allocation**	**Amount Paid (as at March 31, 2014)**	**Outstanding Amount (as at August 31, 2014)**
Saskatchewan Media Production Industry Association (SMPIA)	$ 123,000	$ 71,750	$ 51,250
SaskArt	73,000	42,583	30,417
Sask Publisher Group	228,000	133,000	95,000
Sask Craft Council	294,000	171,500	122,500
SaskMusic	640,000	440,000	200,000
Total	**$ 1,358,000**	**$ 858,833**	**$ 499,167**

6. Accounts Payable

Creative Saskatchewan has been managing the Sound Stage facility and space rental. Revenues collected will be transferred to the Ministry of Parks, Culture and Sport, less a ten percent administrative fee. Therefore $10,005 is payable to the Ministry.

7. Tangible Capital Assets

	Computer Equipment and Systems	**Furniture and Equipment**	**Total**
Opening Cost of Tangible Capital Assets	$ -	$ -	$ -
Additions During the Year	14,761	7,292	22,053
Disposal During the Year	-	-	-
Closing Cost of Tangible Assets	14,761	7,292	22,053
Opening Accumulated Amortization	-	-	-
Annual Amortization	738	243	981
Disposal During the Year	-	-	-
Closing Accumulated Amortization	738	243	981
Net Book Value of Tangible Capital Assets	**$ 14,023**	**$ 7,049**	**$ 21,072**

8. Development Loans and Equity Investment

Effective March 27, 2014, SaskFilm transferred to Creative Saskatchewan development loans of $2,606,311 and equity investments of $11,392,120. Due to the uncertainty regarding the collection or recoupement of these amounts, Creative Saskatchewan recorded this transaction at a net book value of nil. For accountability purposes, Creative Saskatchewan maintains records of these loans and subsequent recovery activities.

9. Financial Instruments

a. Fair Value

Creative Saskatchewan's significant financial instruments consist of cash, accounts receivable and accounts payable. The fair value of the financial instruments approximates their carrying value due to their short-term nature.

b. Credit Risk

Credit risk is the risk a party owing money to Creative Saskatchewan will fail to discharge that responsibility. Creative Saskatchewan is exposed to credit risk from potential non-payment of accounts receivable. The majority of accounts receivable were collected shortly after year end, therefore the credit risk is minimal.

10. Defined Contribution Pension Plan

Creative Saskatchewan participates in the Public Employee Pension Plan (PEPP), a defined contribution plan. Creative Saskatchewan's obligations are limited to matching contribution made by the employees up to a rate of five percent for current services (except the CEO whose contributions, 7.25%, are not matched at this time). Pension costs of $5,132 are included in salaries and comprise the employer's contributions for current services.

11. Contractual Obligations

The lease on the Konica Minolta photocopier was transferred from SaskFilm on October 1, 2013 on a twenty-one month contract which expires on June 30, 2015.

The future minimum lease payments are as follows:

Fiscal Year	Amount
2014/2015	$ 2,387
2015/2016	597
Total Minimum Lease Payment	**$ 2,984**

12. Accommodation

Creative Saskatchewan had no written agreement in place in regards to the rental and use of the office space. The office space is owned by the Ministry of Central Services. The Ministry of Parks, Culture and Sport has an agreement with the Ministry of Central Services for the use of the building. Therefore, there have been no accommodation expenses during the period.

creative
SASKATCHEWAN

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